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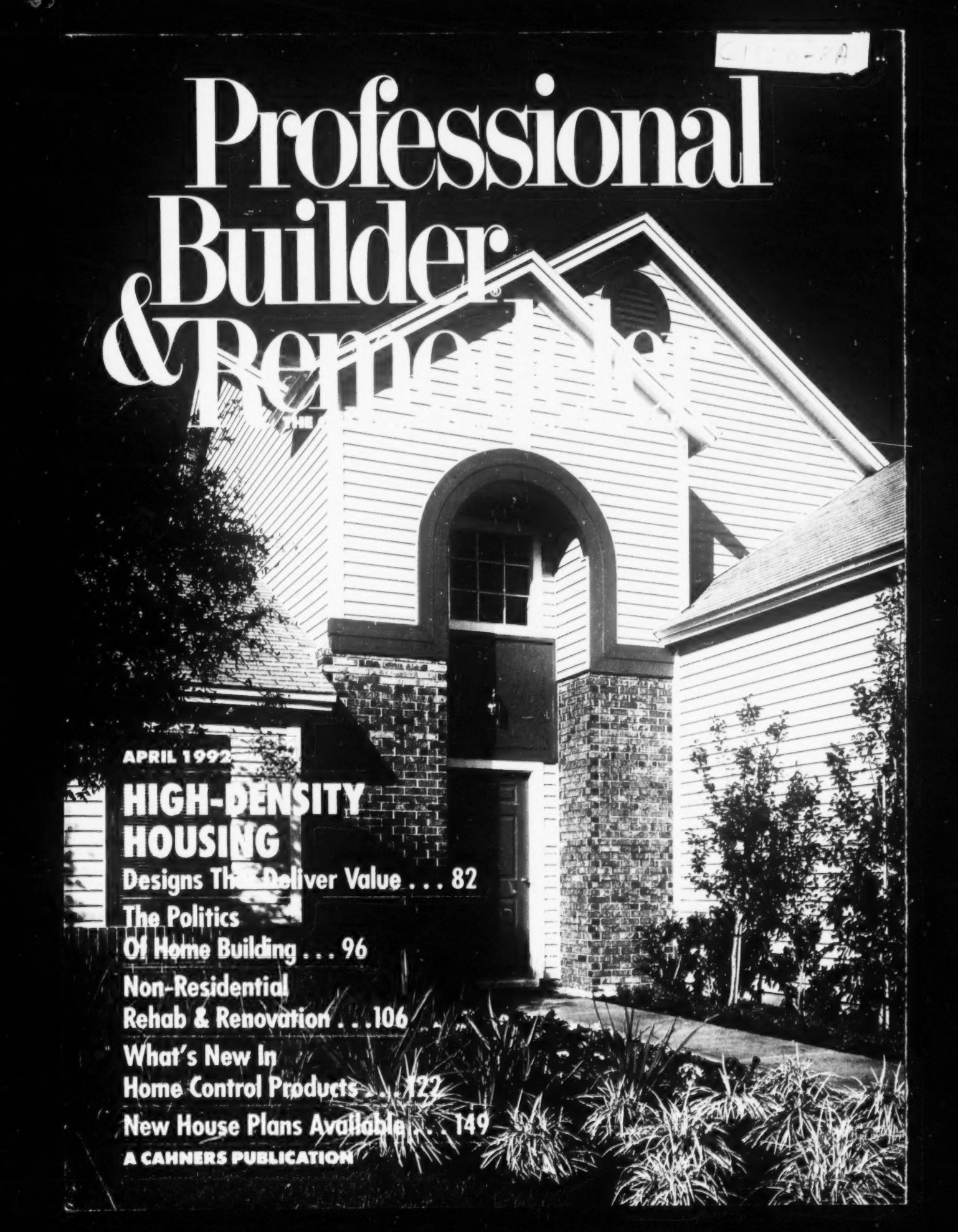

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HIGH-DENSITY HOUSING

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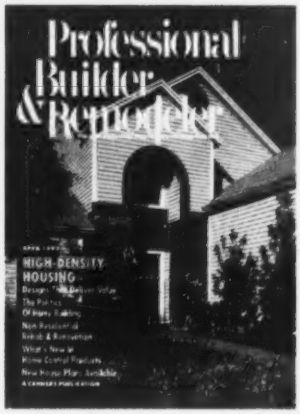
THE ONE MAGAZINE FOR THE DIVERSIFIED BUILDER



On The Cover

■ Calton Homes' product at Hunt Ridge outside Orlando, Fla., is built to a net density of five units per acre, centered on 50-by-110-foot lots. Design is by Quincy Johnson. Interiors were merchandised by Orlando-based Marc-Michaels Interiors. Photography by Everett & Soulé. See page 82.

Non-res rehab opportunities: p. 106.

New remodeling video: p. 69.

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Density Delivers Value 82

When land costs escalate, or affordability is critical to reaching targeted consumers, increasing density concentrates your investment where it shows: in the housing product, rather than the ground under it.

Industry Challenge: The Politics Of Building 96

The industry, which was blind-sided by a mounting array of regulatory barriers, no-growth schemes and preservationist taboos, has new strategies for fighting city hall.

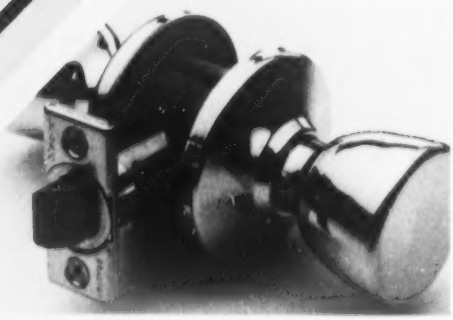
Smarter, Better Housing For The Money 104

West Venture Development's Jamboree is a success because it brings a traditional look to California, offers low pricing, and has flexible floor plans.

Opportunities In Non-Res Remodeling 106

In the face of scarce financing and a glut of commercial space, underperforming properties in good locations may be prime for remodeling.

The "politics" of building: p. 96.



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■ Builders find construction capital through stock offerings and pension funds, but going public can be a painful process: *p. 12.*

Markets

■ Through cooperation with Habitat For Humanity, a Cleveland builder is helping to promote the revival of urban neighborhoods: *p. 31.*

Management

■ Survivors of the recession are finding that doing workouts when times were tough has yielded strong land positions as well as good working relationships: *p. 53.*

Marketing

■ A local cable TV show is paying off big dividends for a Mobile, Ala., remodeler: *p. 69.* Word of mouth is still the key to getting remodeling leads: *p. 70.*

Technology

■ Uniform lending guidelines for energy-efficient mortgages would help make homes more affordable. To date, however, there has been no industry-wide consensus. Here is a detailed look at this important issue: *p. 117.*

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INDICATORS

Rocky Mountain States Lead The Nation Out Of Recession

New home construction to bounce back, relative to region of the country.

Lower interest rates, slowly improving consumer confidence and a significant amount of pent-up demand have set the stage for a real recovery (not to be confused with the teasing, but false, recovery of last summer) in home building and home improvement spending this year. In some parts of the country the bounceback is already well established.

Perspective for the predicted gains can be found by looking at how different parts of the nation fared during 1991—the worst year for residential construction markets in two decades.

The Rocky Mountain region came out ahead in 1991. During a period when permit values for new single-family home construction nationwide declined by 10.2%, values in the Mountain states surged 16.1%. At the same time, the value of permits authorizing remodeling work jumped 12.0% over the year in this region, while declining by 1.7% in the nation as a whole.

Single-family permit values for the states in the Pacific Coast region plunged by 26.1% last year, coming off an extremely good 1990 (particularly in the Pacific Northwest and inland California). Values also fell, although not nearly as dramatically, in states along the Mid-Atlantic and South Atlantic coast. Remodeling, on the other hand, was weakest by far in the New England states.

Metropolitan areas that enjoyed reasonably healthy levels of new home construction last year were concentrated overwhelmingly in the nation's mid-section. Not surprisingly, these also are areas coasting through the recession relatively unscathed. Employment growth certainly slowed, but in almost all cases there were more jobs in these cities at the end of 1991 than at the beginning of the year.

Permit values for new single-family home construction rose by 60% over the year in both Tucson and Fayetteville, and by more than 50% in Denver and Anchorage. Other metropolitan areas with gains of at least 25% included Boulder, Colorado Springs, New Orleans, Birmingham, Phoenix and Salt Lake City.

Last year's fastest-growing remodeling markets

Continued on page 176

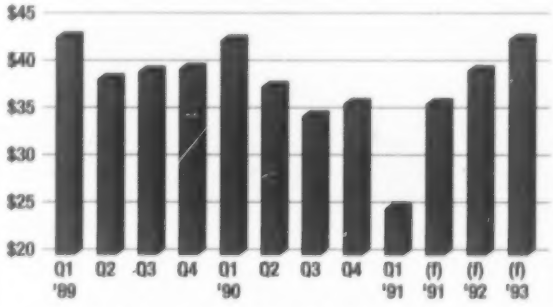
Regional Market Conditions

(Year-To-Date Trends)

	S-F Home Permit $	Average S-F Permit Value	Remodeling Permit $	Employment Change
Providence	-10.0%	$83,784	-10.4%	-3.2%
Buffalo	-26.2%	$111,951	+6.3%	-2.6%
Washington, D.C.	-3.4%	$86,173	+2.3 %	-1.8%
Birmingham, Ala.	+37.0%	$94,139	-2.2%	-1.0%
Little Rock	+18.4%	$88,881	+29.1%	+1.6%
Indianapolis	+6.8%	$112,994	+13.9%	+2.1%
Des Moines	+18.9%	$97,682	-18.6%	-0.3%
Albuquerque	+8.5%	$95,030	+70.1%	+0.1%
Portland, Ore.	-16.8%	$112,251	+37.0%	+1.1%

Sources: U.S. Departments of Commerce and Labor.

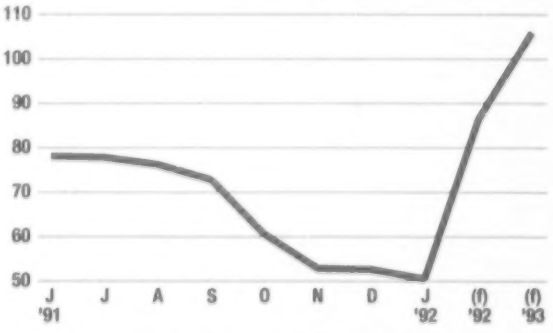
Consumer Spending On Residential Additions & Alterations



Data reflect seasonally adjusted annual rates, billions of $.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Consumer Confidence Index

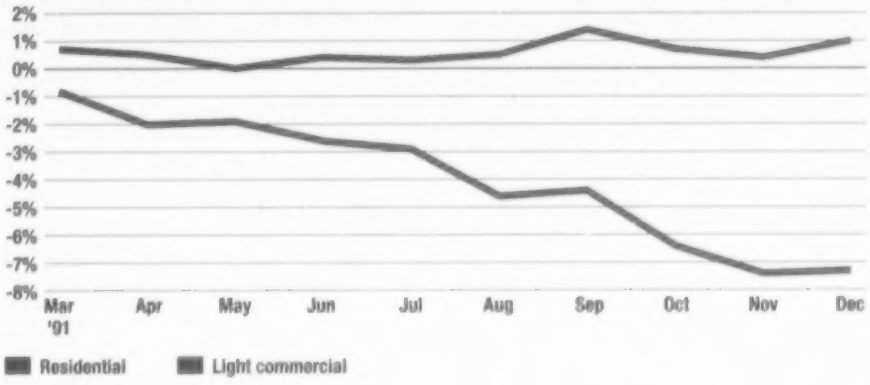
(1985=100)



Source: The Conference Board. Forecast: Cahners Economics.

INDICATORS

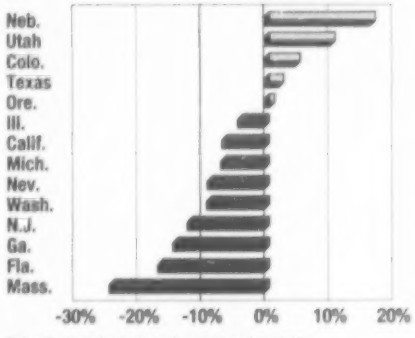
Remodeling Permit Trends – Residential & Light Commercial



Data reflect % change in 12-month moving totals.
Source: U.S. Department of Commerce.

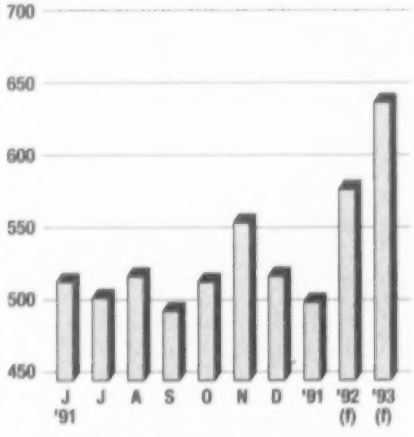
Construction Employment Trends

(Nov. 1991 vs. Nov. 1990)



Data reflects % change in employment for selected sites.
Source: U.S. Department of Labor.

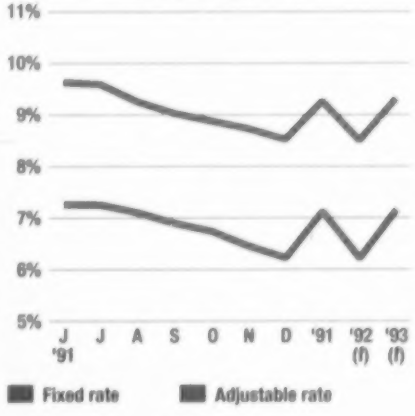
New Single-Family Home Sales



Data reflect seasonally adjusted annualized rates, in thousands.
Source: U.S. Department of Commerce. Forecast: Cahners Economics.

Mortgage Interest Rates

(Monthly average)



Source: Federal Home Loan Mortgage Corp.
Forecast: Cahners Economics.

Key Trends At A Glance

	Nov '91	Mar '91
Total housing starts*	1,103,000	977,000
New home sales*	522,000	506,000
Remodeling permit trend	-0.5%	-4.9%
Consumer confidence index**	52.5	79.4
Median new home price	$123,800	$121,000
Fixed-rate mortgages	8.50%	9.49%
Construction wage trend	1.1%	1.7%

* Seasonally adjusted annual rate.
** 1985 = 100.

Continued from page 175.

do not yield to the same easy generalizations. To be sure, there was plenty of evidence of weakness on the Coasts—remodeling permit values were down more than 20% over the year in Hartford and Newark, and 15% in Los Angeles and San Diego.

However, the Chicago-area market also weakened dramatically during 1991, while Milwaukee and Cincinnati enjoyed good gains. Among the larger metropolitan areas in the nation, a varied and interesting group of four cities recorded remodeling gains of 35% or better: Portland, Ore., Miami, Honolulu and the tri-city area of Allentown/Bethlehem/Easton. □

Population Growth Remains Strong In Western States

Between Census Day (April 1, 1990) and July 1, 1991, the Census Bureau estimates that the population of the United States grew by 3.5 million people, a 1.4% increase over the 15-month period. Population growth varied greatly between regions, with the West growing by 2.4% and the Northeast eking out a 0.3% gain.

Nevada, the fastest-growing state over the period, added 6.8% to their April '90 population total. Other fast-growing states included: Alaska (3.7%), Idaho (3.2%), Washington (3.1%), Oregon (2.8%), Utah (2.7%), and Florida (2.6%). Three states—North Dakota, New Hampshire and Massachusetts—estimated declining populations since 1990's census. □